

Exhibit 3



DALLAS SERVICE CENTER

March 31, 2022

Ms. Lindsay Bruning
Zelle LLP
901 Main Street, Suite 4000
Dallas, Texas 75202

RE: **Hilltop Church of the Nazarene vs. Church Mutual Insurance Company**
Loss Location: 10818 University Drive, Tyler, Texas 75707
EFI File No.: 030.08245

Dear Ms. Bruning:

EFI Global (EFI) was retained by Church Mutual Insurance Company in March 2020 to perform an engineering assessment on the roof covering at the above-referenced site to determine whether hailstorm(s) had resulted in damage to the roof of the building. EFI subsequently performed an on-site inspection on April 1, 2020 and issued a Roof Storm Damage Assessment report to Church Mutual on April 16, 2020.

In that report, EFI concluded that no indications of hail damage were apparent to the roof of the building, and that observed granule loss on the roof was a result of excess heat below the shingles caused by inadequate venting. EFI additionally opined that shingles of lower quality may have been installed on the roofs, and recommended that the insured consult any roofing warranty that may still be applicable.

Since issuance of the report, EFI was provided a copy of an Expert Report prepared by Mr. James Maxwell "Max" Judge of J.M. Judge and Associates, LLC. The purpose of this report is to address the opinions outlined by Mr. Judge in his report.

Any relevant text from the Judge report is shown in *italics*, followed by EFI's responses.

References

The basis of the opinions formed in this report used the following information:

- On-site inspection performed by EFI on April 1, 2020.
- Roof Storm Damage Assessment report issued by EFI to Church Mutual on April 16, 2020.
- Expert Report by J.M. Judge and Associates, LLC dated March 4, 2022.

EFI Global, Inc.

1800 10th Street | Suite 300 | Plano, Texas 75074 | PHONE 972-484-6020 | FAX 972-484-9209 | FREE 888-920-4214

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Judge Report – Pages 2 through 5

According to the Judge report, an on-site inspection was performed by Mr. Judge on February 18, 2022, nearly two years after EFI's inspection.

Page 5 of the Judge report includes a StormIntel Verify Hail History Report prepared by the WeatherGuidance Forensics Unit. The search period indicated was January 1, 2019 through December 31, 2019.

The StormIntel report indicates that hail of approximately 0.75-inch diameter fell at the subject site on the date of loss of March 13, 2019.

As stated on Pages 9-10 of EFI's June 3, 2019 report, the CoreLogic Hail Verification Report used by EFI and included in Appendix B of the report incorporates radar data from the National Weather Service (NWS) and observed hail measurements. CoreLogic analyzes and calculates the likelihood of hail occurring at the specific site along with an estimated maximum hail size at the specific location and at points up to 10 miles from the location.

The CoreLogic hail report obtained by EFI stated that hail of an estimated maximum 0.75-inch diameter was reported within one mile of the property on the DOL, but that any hail at the site did not exceed the 0.75-inch threshold.

The discrepancies between the CoreLogic and StormIntel reports appear to be minor. EFI acknowledges that hail of 0.75-inch could have occurred at the site on March 13, 2019.

EFI further consulted the StormIntel database for the ten-year time period dating back to March 29, 2012. This data is provided in Appendix D of this report, and is depicted below along with other relevant dates.

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Property Address: 10818 university blvd, tyler, tx, 75707

Latitude: 32.31463 **Longitude:** -95.23285
Search Period: 03/29/12-03/29/22

February 18, 2022 –
Judge Site Visit

April 1, 2020 – EFI
Site Visit

Date	Time	Hail Size (in.) at Location	Maximum Hail Size (in.) Within...			
			1 mile	2 miles	3 miles	5 miles
10/13/20	09:24am	0.75	1.50	1.50	1.50	1.50
07/14/20	07:02am	1.00	1.00	1.75	2.00	2.00
03/13/19	02:46am	0.75	0.75	0.75	0.75	0.75
05/03/17	03:34pm	0.75	0.75	0.75	1.00	1.00
05/14/15	06:12pm	0.75	1.00	1.00	1.00	1.00
04/03/12	01:18am	0.75	0.75	0.75	0.75	0.75
End of Data		End of Data	End of Data			

Per the StormIntel report, two additional hailstorms were reported between the times of EFI's April 1, 2020 site visit and Judge's February 18, 2022 site visit.

Judge Report – Page 6

Page 6 of the Judge report includes a StormIntel Verify Wind History Report for the period between January 1 and December 31, 2019.

According to this report, no winds of at least 40 miles per hour were recorded on the date of loss of March 13, 2019. Wind gusts of 45 and 40 mph were reported on March 9 and March 12 (respectively), a few days prior to the 0.75-inch hail event.

In June 2019, three wind events of at least 50 mph were reported, including a 60-mph wind event on June 23, 2019.

Similar to the above discussion, EFI obtained a StormIntel wind report for the 10-year time period dating back to March 29, 2012. The information is depicted on the following page.

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March 31, 2022

Property Address: 10818 university blvd, tyler, tx, 75707

Latitude: 32.31463 **Longitude:** -95.23285
Search Period: 03/29/12-03/29/22

February 18, 2022 –
Judge Site Visit

April 1, 2020 – EFI
Site Visit

March 13, 2019 -
DOL

Date	Gust (mph) at Location	Maximum wind gusts (mph) within...			
		1 mile	2 miles	3 miles	5 miles
01/15/22	50	50	50	50	50
07/05/20	45	45	45	45	45
05/07/20	45	45	45	45	45
04/28/20	70	70	70	70	70
04/12/20	40	45	45	50	55
03/04/20	40	40	40	45	45
01/10/20	55	55	55	55	55
01/09/20	40	40	45	45	45
11/26/19	45	50	50	50	50
11/11/19	40	40	40	40	40
10/24/19	40	40	40	40	40
10/20/19	40	45	45	45	45
06/25/19	50	50	50	50	50
06/23/19	60	70	70	70	70
06/16/19	50	50	50	55	55
05/20/19	45	45	45	45	45
05/18/19	45	45	45	45	50
03/12/19	40	40	40	40	40
03/09/19	45	45	45	45	45
02/14/19	40	40	40	40	40
02/06/19	40	40	40	40	40
01/28/19	40	40	40	40	40
01/22/19	45	45	45	45	45
01/19/19	40	40	40	40	40
01/18/19	40	40	40	40	40
12/26/18	55	55	55	60	60
12/22/18	40	40	40	40	40
10/31/18	45	45	45	45	45
08/17/17	40	40	40	45	50
04/26/17	60	60	60	60	60
12/17/16	40	40	40	40	40
05/26/16	40	40	40	40	40
02/23/16	40	40	40	40	40
02/08/16	40	40	40	40	40
12/26/15	40	40	40	40	40

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Between the times of the EFI and Judge site visits, five wind events were reported in the StormIntel database, including a 70-mph wind event on April 28, 2020.

An additional high wind event of 60 mph was reported on April 26, 2017, about two years prior to the date of loss.

Judge Report – Page 9

Hail Evaluation: Multiple recent hail penetrations consistent with the March 2019 storm event. These penetrations have damaged the Light Weight Laminate Roof system and allowed water to penetrate the roof covering. These storm created openings constitute functional damage and have shorthand (sic) life span of the roof covering and associated components.

Hail Summary: Hail has struck the entirety of the roof located at the address mentioned above and has damaged it to the point that it needs to be replaced, said damage has caused leaks allowing water marks and destruction to the interior.

EFI's Response

Pages 12 through 20 of the Judge report show multiple photos of the building and the roof, some of which appear to show evidence of hail impacts to the exterior and roof appurtenances on the building. The only photos which are consistent with hail damage are photos showing dents to soft metals such as vent covers, and impacts to window screens, window frames, and downspouts. A representation of damages to those items was also included in EFI's April 16, 2020 report.

None of the other photos in the Judge report, including overviews of the roof surface and the limited closer-up photos of the roof covering, are consistent with hail impacts. Judge shows two "chipped" shingles, the lower-right hand photo on Page 18 and the lower photo of Page 20. Those conditions are a result of mechanical damage to the shingles, most likely occurring prior to installation, and are not a result of hail impacts.

Pages 36 through 61 within EFI's April 16, 2020 provide extensive evidence of a lack of damage to the shingles on the roofs of the building due to hail impacts.

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Judge Report – Page 9

Wind Evaluation: There are several temporary repairs, primarily caused by wind associated with the Storm Event. Additionally, there is substantial damage to the Vinyl Siding, fascia and soffit.

Wind Summary: Damage, is evidenced by the Temporary repairs to the roof and the loose or missing Vinyl Siding, soffit and fascia.

EFI's Response

An evaluation of the roof and building for high winds was not requested of EFI by Church Mutual during the 2020 investigation. However, the StormIntel report within the Judge report does not include any windstorms of at least 40 mph on the date of loss. Winds of 40 mph were reported the day prior to the date of loss, however multiple wind events exceeding 40 mph were reported during 2019.

One of Judge's photos alleged to show roof damage, the lower-left photo on Page 19, is not a damage condition. It appears that Judge is showing shingle zippering, which is a stairstepped pattern of unbonded shingles often confused as wind damage. The unbonded shingles are a result of thermal cycling of the shingles over time, which causes unbonding of the adhesive strip. Judge's photo does not show any actual damage to the shingles such as creases or tears.

Judge Report – Pages 9-10

Conclusion: The damage to this property is consistent with the Storm Event dated 3/13/19, to the exclusion of other potential storm events, based on my observation of the size of the impacts, the age of the impacts, the level of water penetration, and the reports of the owners.

All is consistent with the storm in question. I have further eliminated other potential causes of the damage, such as wear and tear, foot traffic, improper installation, and older storm events based on my personal observations, training, and experience. The damage did not appear consistent with any cause other than the March 2019 storm event.

EFI's Response

As previously stated, Judge provided no evidence of damages to the roof covering consistent with hail damage, while EFI documented a lack of damages to the shingles due to hail in the April 16, 2020 report.

Even if hail damage were applicable to the roof covering, it is unreasonable to conclude that the hail event occurring on the date of loss was responsible for the damages to the exclusion

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of all other events. Judge's site visit was nearly three years after the date of loss, and followed two additional hail events reported after EFI's site visit. One of those hailstorms reported hail of 1.0-inch diameter, larger than that reported on the date of loss.

Judge has also not considered hail events reported prior to the date of loss, including three hailstorms reported in the StormIntel report and four recorded in the CoreLogic report, all of which produced hail of similar sizes to that reported on the date of loss.

Five documented wind events which followed EFI's April 1, 2020 site visit included a 70 mph windstorm on April 28, 2020. Although a 40 mph wind was reported the day prior to the date of loss, multiple other similar wind events were recorded in the StormIntel report dating back to 2015.

EFI expects that a high wind event of 70 mph magnitude could produce wind damage, however winds on the order of 40 mph, not considered "damaging" by the National Weather Service, would not lead to damage to well-installed roofs.

EFI observed loose trim and multiple areas of previous repairs to shingles which may have been a result of high winds. These conditions have likely occurred over time and are not a result of a single wind event.

Judge further does not explain or provide evidence to show why he has eliminated other potential causes of the damage. As documented in the EFI report, extensive heat-related damage was applicable to the shingles, none of which was discussed by Judge.

Statement of Compensation

For time spent on this case, EFI is being compensated hourly per the corporate fee schedule provided to Zelle LLP. The standard rate for a Senior Engineer is \$250 per hour.

Closing

Although hail of 0.75-inch diameter may have occurred at the site on the date of loss, no damages to the roof covering consistent with hail impacts were documented by EFI or by Judge.

Multiple high wind events have occurred, both prior to and following the date of loss. It is not reasonable to conclude that all wind damage to the building occurred on the date of loss.

A comprehensive forensic evaluation must consider all potential storm events which may have affected the roof during its lifespan. This has not been performed by Judge.

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As communicated in EFI's April 16, 2020 report, granule loss to the shingles is a result of heat-related damage and the potential of lower-quality shingles having been used on the roofs. Hail impacts did not contribute to granule loss or damage to the shingles.

EFI appreciates the opportunity to address the issues posed by Judge in his report. Beyond any issues addressed herein, the opinions and conclusions outlined in EFI's April 16, 2020 Roof Storm Damage Assessment Report remain unchanged. If questions or concerns remain, or if further information is desired, please do not hesitate to contact us.

Respectfully submitted,

The image shows a handwritten signature in cursive, which appears to read "Daniel J. Hillner". To the right of the signature is a circular professional seal. The seal has a five-pointed star in the center. The text around the star reads "STATE OF TEXAS" at the top and "PROFESSIONAL ENGINEER" at the bottom. In the middle of the seal, it says "DANIEL J. HILLNER" and "92736" below it, with the word "LICENSED" in smaller text between the name and the number.

Daniel J. Hillner, PE
Senior Engineer
EFI Global No. F-9168

Attachments:

Appendix D – StormIntel Reports

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March 31, 2022

APPENDIX D

STORMINTEL REPORTS

StormIntel Verify® Hail History Report

WeatherGuidance Forensics Unit

Report date: 03/30/22

Claim/Reference #

Property Address: 10818 university blvd, tyler, tx, 75707

Latitude: 32.31463 **Longitude:** -95.23285

Search Period: 03/29/12-03/29/22

Date	Time	Hail Size (in.) at Location	Maximum Hail Size (in.) Within...			
			1 mile	2 miles	3 miles	5 miles
10/13/20	09:24am	0.75	1.50	1.50	1.50	1.50
07/14/20	07:02am	1.00	1.00	1.75	2.00	2.00
03/13/19	02:46am	0.75	0.75	0.75	0.75	0.75
05/03/17	03:34pm	0.75	0.75	0.75	1.00	1.00
05/14/15	06:12pm	0.75	1.00	1.00	1.00	1.00
04/03/12	01:18am	0.75	0.75	0.75	0.75	0.75
End of Data		End of Data	End of Data			

Please note: "ND" (No Data) indicates that we could not verify hail of at least 0.75 inch in diameter at the property address during the requested search period. Times indicated on the report are expressed in the local time zone and should be considered approximate. The above information is based upon the examination of ground based storm reports and/or radar indicated hail detection algorithms. If you need help interpreting the report, please contact our Forensic Weather Verification Unit for assistance. Any person(s) ordering or otherwise utilizing this report agree(s) to abide by the terms, conditions and disclaimers outlined in the Terms of Service/End User License Agreement (TOS/EULA) which can be found at www.weatherguidance.com/eula.html



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StormIntel Verify® Wind History Report

WeatherGuidance Forensics Unit

Report date: 03/30/22

Claim/Reference #

Property Address: 10818 university blvd, tyler, tx, 75707

Latitude: 32.31463 **Longitude:** -95.23285

Search Period: 03/29/12-03/29/22

Date	Gust (mph) at Location	Maximum wind gusts (mph) within...			
		1 mile	2 miles	3 miles	5 miles
01/15/22	50	50	50	50	50
07/05/20	45	45	45	45	45
05/07/20	45	45	45	45	45
04/28/20	70	70	70	70	70
04/12/20	40	45	45	50	55
03/04/20	40	40	40	45	45
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01/09/20	40	40	45	45	45
11/26/19	45	50	50	50	50
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06/25/19	50	50	50	50	50
06/23/19	60	70	70	70	70
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Date	Gust (mph) at Location	Maximum wind gusts (mph) within...			
		1 mile	2 miles	3 miles	5 miles
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05/18/19	45	45	45	45	50
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03/09/19	45	45	45	45	45
02/14/19	40	40	40	40	40
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01/22/19	45	45	45	45	45
01/19/19	40	40	40	40	40
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12/17/16	40	40	40	40	40
05/26/16	40	40	40	40	40
02/23/16	40	40	40	40	40
02/08/16	40	40	40	40	40
12/26/15	40	40	40	40	40
End of Data	End of Data	End of Data			

Please note: "ND" indicates that winds of at least 40 mph were not detected at the indicated distance. The above information is based upon the examination of ground based storm reports and/or radar indicated wind detection

algorithms. Please note: radar indicated wind detection algorithms should be considered "experimental" in nature and should be used for general guidance purposes only. If you need help interpreting the report, please contact our Forensic Weather Verification Unit for assistance. Any person(s) ordering or otherwise utilizing this report agree(s) to abide by the terms, conditions and disclaimers outlined in the Terms of Service/End User License Agreement (TOS/EULA) which can be found at www.weatherguidance.com/eula.html. Important: all date/time references on this report are in UTC/GMT.



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